

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES**

January 5, 2021

Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.

A regular Meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held via videoconference on Tuesday, January 5, 2021.

1. CALL TO ORDER

Committee Member Sear called the meeting to order at 1:05 p.m.

1.1 Roll Call

Directors Present:

Chairman Dennis Coleman

Committee Member Scott Sear

Staff Present:

Beverli Marshall, General Manager, Jeanette Juarez, Business Services Manager, Holly Gould

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.

None.

3. DISCUSSION / ACTION ITEMS

3.1 RFP Audit Services Review

Jeanette Juarez gave the committee an update on the RFP for Auditing Services. The District received eight (8) proposals. All proposals were reviewed by a staff evaluation committee consisting of the General Manager, Business Services Manager, Accounting Analyst, and Assistant Engineer. They were rated based on various factors including staff experience, references, and ability to understand and implement the scope of work. Davis Farr LLP received the highest overall score. Their proposal was clear, concise, and demonstrated a strong understanding of the scope of work. Chairman Coleman was pleased with the references Davis Farr provided and the credentials the David Farr team

held. Committee Member Sear also liked the proposal. This item is scheduled to go before the full board for approval on February 9, 2021.

3.2 Sewer Rate Study Update

Jeanette Juarez presented the committee with the draft technical memo prepared by NBS for the Comprehensive Wastewater Rate Study. It addresses three (3) key issues; the development of net revenue requirements from FY2021/22 to FY2040/41, the establishment and maintenance of reserve funds and targets, and the funding of the districts' Capital Improvement Program. NBS developed three (3) financial plan alternatives for district staff and the board of directors to consider; alternative 1 full funding of CIP, no debt, alternative 2 full funding of CIP with \$150 million in debt, and alternative 3 full funding with \$185 million in debt. Ms. Juarez informed the committee that NBS will meeting with the full board to go over the study at a special board meeting on January 19. The committee requested staff bring the technical memo to the board at the next meeting on January 12, 2021.

4. **FUTURE MEETING ITEMS**

Chairman Coleman would like staff to check into the district's CalTrust account and develop a pros and cons list.

5. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 2:11 p.m. The next regular committee meeting will be held March 2, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District